

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7313**

**BILL NUMBER:** SB 518

**DATE PREPARED:** Feb 21, 2002

**BILL AMENDED:** Feb 21, 2002

**SUBJECT:** Mental Health Center Service Areas.

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**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill establishes primary service areas for community mental health centers. The bill provides an option for a county and a community mental health center to initiate a request to change the primary service area or the provider assignment.

The bill protects a consumer's right to choose or obtain access to the services of any provider certified to provide publicly supported mental health services. The bill specifies the distribution formula for county payments to certain community mental health centers.

The bill requires certain community mental health centers to have a county fiscal body representative on the center's governing board. The bill also requires community mental health centers to provide an annual report to the fiscal body of each county from which the center receives funding.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** (Revised) This bill has three provisions for the Division of Mental Health and Addiction (DMHA). The director of DMHA must enact rules for establishing exclusive geographic primary service areas for community mental health centers. The bill requires that the rules for geographic primary service areas for community mental health centers must be adopted by July 1, 2002. Each service area may have more than one provider. The second provision, establishing criteria for changing a primary service area boundary, has no set time line. The third provision requires DMHA to consider requests to change primary services areas or provider assignment. These three provisions require administrative rulemaking by DMHA and some administrative oversight. It is assumed that the division will be able to absorb these additional costs given current staffing and resources.

The redistricting of geographic service areas may impact the funding of individual community mental health centers. These centers receive state funding based on a formula from the Hoosier Assurance Plan. The

redistricting may change the areas that centers service, thus impacting the total state dollars awarded to that center. However, this would redistribute existing funds and not affect total state funds allocated for these centers.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) This bill clarifies language regarding county appropriations for these centers. The addition of primary service areas will facilitate the calculation of county payments to community mental health centers. This will not affect the total county and local funds allocated to these centers. Rather, it may affect the proportion of county and local funds given to each community mental health center within a service area.

The bill requires certain community mental health centers to have a county fiscal body representative on the center's governing board. The bill also requires community mental health centers to provide an annual report to the fiscal body of each county from which the center receives funding. The costs of these provisions are expected to be minimal.

*Background:* The statewide county contribution to community mental health centers was \$21 M for FY 2001.

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration.

**Local Agencies Affected:** County and local governments, Community mental health centers.

**Information Sources:** John Viernes, Family and Social Services Administration; Rhonda Cook, Association of Indiana Counties.